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2 February 1977

MEMORANDUM FOR:

[REDACTED]  
Director of Performance Evaluation  
and Improvement

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FROM:

[REDACTED]  
Chief, Production Assessment and  
Improvement Division

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SUBJECT:

Systemic Problems in Soviet Intelligence  
Production

1. Attached, for your comments, is the second draft of the paper on systemic problems in the analytic base underlying NIEs on the Soviet Union. I must invite a concluding section, but what is said by way of conclusions depends on what use we want to make of this paper.

2. If our perceptions of the problem are correct, a very substantial Community effort will be needed to improve the basis for intelligence production on the Soviet Union. These should be a concerted Community program under NFIB to define improvement goals and priorities, lay out a long-range "get-well" program, and move out smartly with initiatives like an exercise analysis center or the loose-leaf notebook approach to 11-3/8. There should also be developed a set of detailed funding and manpower augmentation proposals for PRC (CFI) action, because the improvements we have in mind simply will not be adequate unless backed by more money and people. The issue is how to use the paper to get these actions moving.

3. I see three alternatives:

a. Alternative 1. Use the paper basically as it is to provide background and an explanation of our goals. Add a brief concluding section to bring the paper to a logical close, but avoid listing specific next steps. Act through the various channels available to us to set in motion a series of specific get-well actions, returning to the IC Staff orchestration of those actions.

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b. Alternative 2. Use the paper as an agenda for Community action by NFIB and PRC. Add a substantive final section with proposed next steps along the following lines:

- Community working groups to develop detailed implementation plans in four areas:
  - Major upgrade of Community data bases
  - Long-term Community program of basic research studies on the Soviet Union
  - Short- and long-term programs to upgrade the body of Soviet specialists in the Community and draw to a greater extent on outside help
  - NSA/DIA/CIA exercise analysis center
- IC Staff and NIO consortium to research ways to make NIEs more cost-effective. For example:
  - Market research project
  - Cost analysis of NIE efforts
  - Loose-leaf notebook experiment with 11-3/8
  - DCI policy guidelines on the treatment of evidence, uncertainty, hypotheses, etc.
- A user-Community consortium (broader than Andy Marshall's contacts) to help guide a systematic Community work program of interaction analyses and support to net assessments.

c. Alternative 3. Structure the paper per Alternative 2, but use it privately with an inner group of Community elite (managers and analysts) to form an ad hoc steering group which quietly, but effectively, orchestrates Community funding, manning, and planning to move forward as fast as is bureaucratically possible on a get-well program.

Attachment a/s

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cc:  w/att

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Intelligence Community Posture  
for Estimates on the Soviet Union

I. The Problem

In a period of rising concern and political controversy about the Soviet threat and American policy toward the Soviet Union, how well is the Intelligence Community postured to assess this threat, in all its dimensions? How well can the Community lucidly analyze and portray the strategic motives, intent, drives, constraints, and probable future courses of action of the Soviet Union? How well can it make a comprehensive assessment of Soviet political, economic and military capabilities? Persistent criticism of Community performance by both insiders and outsiders indicates that the posture of intelligence may not be adequate to meet the challenges posed by the Soviet Union unless major improvements are made.

II. The Soviet-American Relationship and the Implications for  
Intelligence

Since the 1960s, the Soviet-American relationship has increasingly involved efforts by both sides to avoid military confrontation and improve cooperation; at the same time, strong competition continues in all areas of superpower interaction. These trends seem likely to continue. US interests are likely to be increasingly challenged in the traditional areas of foreign affairs and military capabilities, albeit

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in more subtle ways than during the two decades following World War

II. Moreover, new challenges have arisen and will continue in such areas as international negotiations, relations with US allies and non-aligned nations and international economics.

Determination of US policy in the face of these Soviet challenges will be, if anything, more difficult than in the past, for several reasons:

- The Soviet Union is becoming more subtle and sophisticated in its dealings with the West.
- The continued Soviet military improvement program makes the East-West military balance more complex to assess and renders less obvious the actions necessary for the United States and its allies to maintain an acceptable balance.
- American consciousness of the limits of military power, sharpened by the final years of the Vietnam War, places new constraints on the means by which the US may seek to counter Soviet influence in third world areas.
- Rising defense costs and the increasing need to deal with America's pressing domestic and energy problems make ever more necessary the requirement for fine judgment in US military improvement programs, to define and maintain an acceptable military balance with the Soviet Union at minimum cost.

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While it is US policy-- and apparently that of the Soviet Union as well--to avoid superpower confrontations, the consequences of US-Soviet military clashes are potentially too devastating to neglect the possibility of their occurrence. Moreover, third party actions--for example, in the Middle East or Eastern Europe--could lead to US-Soviet confrontations. Thus, US policy cannot be based on the assumption that they will never occur or that the Soviets will continue in the future to avoid confrontation, as their military capabilities improve. Thus, remote as the possibility may currently appear, the US and its allies must continue to be prepared for military conflict with an increasingly powerful Soviet Union.

The challenges posed to the Intelligence Community over the next several years are equally as difficult--to understand Soviet purpose and motivation; determine strengths and weaknesses in Soviet political, economic and military challenges to US interests; make comprehensive assessments of the import of these challenges; and analyze critical areas of potential military interaction between the two sides.

A. Soviet Purpose and Motivation

What explains persistent Soviet challenges to US interests? Are they really seeking dominance over the West? Do they want and expect to achieve military superiority? Or are defense and insecurity the motives? Or mindless momentum of the bureaucracy? These are intelligence issues, but are very political as well. They affect the

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"atmosphere" and rhetoric of US foreign policy and defense debates. . . Most importantly, they illuminate the possible avenues of US-Soviet relations and the limits of those relations. Very broadly--but only very broadly--they indicate the likely direction of Soviet military programs.

B. Soviet Strengths and Weaknesses

How do Soviet foreign policy, economic, and military efforts relate to one another in fostering Soviet interests and objectives? What are the strengths and weaknesses, the drives and constraints, that shape these efforts and determine Soviet capabilities to challenge US interests? To provide US policymakers with the necessary insight to deal with the Soviet Union, intelligence must analyze Soviet internal affairs in far greater depth and from different perspectives than has heretofore been the case. It is essential that there be better understanding of the factors that affect Soviet decisions on such matters as military programs, arms control negotiating positions, foreign policy initiatives, and actions in a crisis. For example, how will the Soviet economy shape and constrain future military programs? What are the effects of Soviet internal politics, dissident elements of society, or bureaucratic interests? How do Soviet relations with allies or client states enhance or limit their foreign policy? Their military capabilities?

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C. Comprehensive Assessments of Soviet Efforts

How effectively are Soviet challenges and competition likely to be, now and in the future? Whatever their intent, will the Soviets have the ability to prevail over the West in any of the potential kinds of theater, intercontinental or naval conflicts that might arise? What is the actual and perceived military balance likely to be over the next decade? Can the Soviets really translate shifts in the military balance into political or military advantage? How will the Soviets seek to turn arms control negotiations to their political and military advantage? How effective are their efforts to influence non-aligned nations or US allies likely to be? How might the Soviets exploit to their advantage various international economic trends, the flow of Western technology, or the energy problems facing the world?

This is where the intelligence aspects of military net assessments play a major role, as do correspondingly broad assessments of Soviet foreign policy and economic efforts.

D. Critical Areas of Military Interaction

Partly as an input to the foregoing comprehensive assessments of Soviet efforts and partly to support US military force posture and operational planning, there is need for basic intelligence and net assessment in the fine. . . As the US-Soviet military balance becomes less favorable to the US, the number of critical areas of military interaction grows. Intelligence issues and analysis once

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thought to be "tactical" now become strategic in their importance.

For example, what are current and future Soviet capabilities for SLBM attacks on US bomber bases? How, in detail, does Warsaw Pact artillery support a combined arms offensive? How well trained are Soviet tank crews? What are the strengths and weaknesses of Soviet command and control in various theaters or at sea? How effectively can Soviet naval forces locate and neutralize US attack carrier task forces?

### III. How Well is the Community Postured to Deal with These Issues?

To make judgments on such a complex matter as the Intelligence Community's posture for dealing with future Soviet challenges to US interests is difficult and perhaps foolhardy. Nevertheless, such judgments are essential in view of the persistent criticisms of Community performance and the evolving nature of the Soviet challenges to US interests. Moreover, there is a growing set of sources to assist in judgments about the Community posture, including the IC Staff semiannual review of intelligence for the National Security Council, the 1976 report of the Senate Select Committee on Intelligence, reports by the President's Foreign Intelligence Advisory Board, internal reviews of intelligence performance by the CIA and by DOD intelligence organizations and the various reports (some still in draft) associated with the NIE 11-3/8-76 competitive analysis. While the recommendations



of these sources are not in total agreement, there is general consistency about the strengths and weaknesses of the Community.

The following findings are based upon:

- A review of the foregoing sources.
- An IC Staff survey of National Intelligence Estimates on the Soviet Union produced since 1960.
- A limited sampling of other interagency products, Defense Intelligence Estimates, and CIA reports.
- Discussions with experienced observers of intelligence, from both inside and outside the Intelligence Community.

A. Community Strengths

The Community is strongest with respect to traditional areas of intelligence on the Soviet Union, where the needs of users are stable and well understood, funding has been consistently high, and the analytic techniques have been proven by extensive use.

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Community efforts on certain aspects of the Soviet economy (e. g., agricultural output, energy issues, monetary and fiscal matters).

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B. Community Weaknesses and Systemic Problems

However, when viewed against the challenges posed by the Soviet Union, now and in the future, the capabilities of the Community must be substantially extended. To understand Soviet behavior as regards military programs, foreign policy, and crisis actions, the Community needs:

- More sophisticated treatment of how the Soviets view the world, using Soviet perspectives and terminology.
- More insight into internal Soviet decision processes and constraints.
- A better view of coming Soviet leaders.
- A sustained, detailed analysis of Soviet international policy and goals, encompassing their military, economic, and political efforts.

On an equal footing with the need to understand Soviet purpose and behavior is the need to do better in assessing and projecting Soviet military programs. To do this, the Intelligence Community must:

- Improve its ability to assess Soviet and Warsaw Pact war-waging capabilities, up to some ill-defined line where intelligence analysis begins to evaluate US capabilities.
- Develop a wholistic view of Soviet military and military-related R&D.

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- Vastly improve the predictive value of economic analysis, in contrast to only documenting the cost of past military programs.
- Improve our grasp of Soviet operational concepts, particularly for nuclear war, as an important set of inputs to net assessments and Soviet force projections. Most needed in this regard is more comprehensive and systematic analysis of Soviet doctrinal literature and military exercises.

Underlying these Community weaknesses are some systemic problems of Community organizations, customs and resource allocation which must be addressed if there is to be substantial improvement in estimates on the Soviet Union.

1. Data Bases. Important sources of intelligence data on the Soviet Union are under utilized, not because of collection problems, but because the data is not systematically or comprehensively compiled into forms which are readily accessible to intelligence analysts. Needed, for example, are the following:

- A major increase in compilation of documents, bibliographies, abstracts, and indices which more systematically and comprehensively integrate various human sources on the Soviet Union--unclassified literature, classified documents, FBIS, clandestine reporting, embassy reporting, defectors, and emigrees, and information from CIA's [redacted]

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- More comprehensive and timely reduction of all relevant data on Soviet military exercises, with cross-references, trend analyses, and other aids which will make this body of information more readily available to production components of the Community.
- Accelerated efforts to compile basic economic data on the Soviet Union.
- More attention to the detailed data needed to support net assessments, especially for Warsaw Pact general purpose forces.

2. Basic Research. More emphasis is needed on basic research studies to provide the detailed understanding of Soviet internal affairs which is essential for production of higher order analyses of Soviet military programs, economic programs, foreign affairs, and crisis behavior. These basic research studies should, for example, include the following:

- A broader range of basic economic, industrial and technological studies than are now being conducted.
- Studies of Soviet society and dissent.
- Research on factors influencing Soviet decisionmaking processes.
- Studies of the Soviet R&D establishment.
- Systematic series of basic military interaction studies.

*This activity must  
be protected from  
disruptive  
current support  
and integrity  
"hair losses."*

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3. Trained Specialists on Soviet Affairs. The Community does not have enough trained specialists on Soviet affairs. Moreover, the senior personnel who most influence the content of national estimates do not have sufficient time to become or remain familiar with the extensive body of material that is currently available on the Soviet Union. Measures such as the following can, over time, alleviate these problems:

- A long-term program to build up and sustain a body of intelligence production personnel within the Community who are experts on the Soviet Union, both generalists and specialists.
- Programs to draw upon academic institutions, other government agencies, and private research organizations to complement Community efforts in various areas of Soviet affairs.
- Efforts to inform senior Community analysts, especially those involved with national estimates, of the results of ongoing research on the Soviet Union. Senior analysts must make time to spend with the relevant source material and basic studies; data and research studies must be organized to facilitate ready access and assimilation by these personnel.

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4. Bureaucratic Barriers to Dissemination. Information on the Soviet Union which can be important for national estimates and other intelligence products is not always made available to the responsible analysts. Examples of such restrictions on information flow to intelligence analysts include:

- CIA/DDO restrictions on dissemination of sensitive clandestine reports.

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- Limited distribution (or virtually no distribution in some cases) of State Department cables or information gleaned during overseas travel by senior US foreign policy officials.

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Protection of sensitive sources and reduction of the likelihood of leaks are the reasons usually given for limiting dissemination of such data, and in many cases these are valid reasons. But there appear to be few checks and balances to assure that sensitivity is properly weighed against the benefits of wider dissemination or that dissemination restrictions are not misused to serve bureaucratic purposes.

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5. Relevance of NIEs to Users' Needs. NIEs on the Soviet Union are costly, in terms of Community manpower, yet there are persistent questions raised by some users about the relevance and utility of NIEs. The DCI's National Intelligence Officers are working to understand and resolve concerns raised by various users, but more can be done, such as:

- Systematic research on the multiple markets for NIEs, to assure that user needs for national intelligence are fully comprehended.
- Investigation of alternative formats, schedules, and coordination procedures for NIEs to meet user needs at minimum cost to the Community.
- Development of clear and agreed guidelines for discussing evidence and uncertainty in NIEs and providing hypotheses and judgments about future Soviet behavior which go beyond the sources and methods of intelligence. These guidelines should be keyed to the needs of various users and developed in consultation with them.
- More extensive and systematic efforts to involve users in the development of terms of reference and at other key points in the production of NIEs, to assure relevance.

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~~Joanne~~

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